

---

HOUSE BILL 3280

---

State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Kessler, Anderson, Darneille, Santos, and Kenney

Read first time 01/28/08. Referred to Committee on Finance.

1            AN ACT Relating to creating a uniform interest rate; amending RCW  
2 3.62.020, 3.62.040, 4.56.110, 8.12.470, 8.25.230, 8.25.240, 10.82.090,  
3 15.08.150, 21.20.430, 15.26.220, 15.62.150, 26.18.110, 26.23.030,  
4 43.17.240, 46.87.310, 49.48.083, 49.70.177, 50.24.040, 51.48.210,  
5 70.94.431, 70.119A.040, 82.32.050, 83.100.070, 84.52.018, 84.33.140,  
6 84.34.108, and 84.56.020; reenacting and amending RCW 26.23.090; adding  
7 a new chapter to Title 4 RCW; creating new sections; and providing an  
8 effective date.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10            NEW SECTION.    **Sec. 1.** The legislature finds that the purpose of  
11 this act is to create a uniform interest rate.

12            NEW SECTION.    **Sec. 2.** The "uniform interest rate" means an  
13 interest rate that is calculated for financial obligations annually  
14 each December, at the rate of two percentage points above the  
15 equivalent coupon yield, based on the previous six months average  
16 auction rate for twenty-six week treasury bills. Interest shall accrue  
17 at this rate during the succeeding calendar year.

1       **Sec. 3.** RCW 3.62.020 and 2004 c 15 s 4 are each amended to read as  
2 follows:

3       (1) Except as provided in subsection (4) of this section, all  
4 costs, fees, fines, forfeitures and penalties assessed and collected in  
5 whole or in part by district courts, except costs, fines, forfeitures  
6 and penalties assessed and collected, in whole or in part, because of  
7 the violation of city ordinances, shall be remitted by the clerk of the  
8 district court to the county treasurer at least monthly, together with  
9 a financial statement as required by the state auditor, noting the  
10 information necessary for crediting of such funds as required by law.

11       (2) Except as provided in RCW 10.99.080, the county treasurer shall  
12 remit thirty-two percent of the noninterest money received under  
13 subsection (1) of this section except certain costs to the state  
14 treasurer. "Certain costs" as used in this subsection, means those  
15 costs awarded to prevailing parties in civil actions under RCW 4.84.010  
16 or 36.18.040, or those costs awarded against convicted defendants in  
17 criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other  
18 similar statutes if such costs are specifically designated as costs by  
19 the court and are awarded for the specific reimbursement of costs  
20 incurred by the state or county in the prosecution of the case,  
21 including the fees of defense counsel. Money remitted under this  
22 subsection to the state treasurer shall be deposited as provided in RCW  
23 43.08.250.

24       (3) The balance of the noninterest money received by the county  
25 treasurer under subsection (1) of this section shall be deposited in  
26 the county current expense fund.

27       (4) All money collected for county parking infractions shall be  
28 remitted by the clerk of the district court at least monthly, with the  
29 information required under subsection (1) of this section, to the  
30 county treasurer for deposit in the county current expense fund.

31       (5) Penalties, fines, bail forfeitures, fees, and costs may accrue  
32 interest, upon assignment to a collection agency, at the uniform  
33 interest rate (~~(of twelve percent per annum, upon assignment to a~~  
34 ~~collection agency)) set forth in section 2 of this act. Interest may  
35 accrue only while the case is in collection status.~~

36       (6) Interest retained by the court on penalties, fines, bail  
37 forfeitures, fees, and costs shall be split twenty-five percent to the  
38 state treasurer for deposit in the public safety and education account

1 as provided in RCW 43.08.250, twenty-five percent to the state  
2 treasurer for deposit in the judicial information system account as  
3 provided in RCW 2.68.020, twenty-five percent to the county current  
4 expense fund, and twenty-five percent to the county current expense  
5 fund to fund local courts.

6 **Sec. 4.** RCW 3.62.040 and 2004 c 15 s 8 are each amended to read as  
7 follows:

8 (1) Except as provided in subsection (4) of this section, all  
9 costs, fines, forfeitures and penalties assessed and collected, in  
10 whole or in part, by district courts because of violations of city  
11 ordinances shall be remitted by the clerk of the district court at  
12 least monthly directly to the treasurer of the city wherein the  
13 violation occurred.

14 (2) Except as provided in RCW 10.99.080, the city treasurer shall  
15 remit monthly thirty-two percent of the noninterest money received  
16 under this section, other than for parking infractions and certain  
17 costs, to the state treasurer. "Certain costs" as used in this  
18 subsection, means those costs awarded to prevailing parties in civil  
19 actions under RCW 4.84.010 or 36.18.040, or those costs awarded against  
20 convicted defendants in criminal actions under RCW 10.01.160,  
21 10.46.190, or 36.18.040, or other similar statutes if such costs are  
22 specifically designated as costs by the court and are awarded for the  
23 specific reimbursement of costs incurred by the state, county, city, or  
24 town in the prosecution of the case, including the fees of defense  
25 counsel. Money remitted under this subsection to the state treasurer  
26 shall be deposited as provided in RCW 43.08.250.

27 (3) The balance of the noninterest money received under this  
28 section shall be retained by the city and deposited as provided by law.

29 (4) All money collected for city parking infractions shall be  
30 remitted by the clerk of the district court at least monthly to the  
31 city treasurer for deposit in the city's general fund.

32 (5) Penalties, fines, bail forfeitures, fees, and costs may accrue  
33 interest, upon assignment to a collection agency, at the uniform  
34 interest rate ((of twelve percent per annum, upon assignment to a  
35 collection agency)) set forth in section 2 of this act. Interest may  
36 accrue only while the case is in collection status.

1 (6) Interest retained by the court on penalties, fines, bail  
2 forfeitures, fees, and costs shall be split twenty-five percent to the  
3 state treasurer for deposit in the public safety and education account  
4 as provided in RCW 43.08.250, twenty-five percent to the state  
5 treasurer for deposit in the judicial information system account as  
6 provided in RCW 2.68.020, twenty-five percent to the city general fund,  
7 and twenty-five percent to the city general fund to fund local courts.

8 **Sec. 5.** RCW 4.56.110 and 2004 c 185 s 2 are each amended to read  
9 as follows:

10 Interest on judgments shall accrue as follows:

11 (1) Judgments founded on written contracts, providing for the  
12 payment of interest until paid at a specified rate, shall bear interest  
13 at the rate specified in the contracts(~~(+ PROVIDED, That said)~~) if the  
14 interest rate is set forth in the judgment.

15 (2) All judgments for unpaid child support that have accrued under  
16 a superior court order or an order entered under the administrative  
17 procedure act shall bear interest at the uniform interest rate (~~(of~~  
18 ~~twelve percent)~~) set forth in section 2 of this act.

19 (3) Judgments founded on the tortious conduct of individuals or  
20 other entities, whether acting in their personal or representative  
21 capacities, shall bear interest from the date of entry at (~~two~~  
22 ~~percentage points above the equivalent coupon issue yield, as published~~  
23 ~~by the board of governors of the federal reserve system, of the average~~  
24 ~~bill rate for twenty six week treasury bills as determined at the first~~  
25 ~~bill market auction conducted during the calendar month immediately~~  
26 ~~preceding the date of entry)) the uniform interest rate set forth in  
27 section 2 of this act. In any case where a court is directed on review  
28 to enter judgment on a verdict or in any case where a judgment entered  
29 on a verdict is wholly or partly affirmed on review, interest on the  
30 judgment or on that portion of the judgment affirmed shall date back to  
31 and shall accrue from the date the verdict was rendered.~~

32 (4) Except as provided under subsections (1), (2), and (3) of this  
33 section, judgments shall bear interest from the date of entry at the  
34 maximum rate permitted under RCW 19.52.020 on the date of entry  
35 thereof. In any case where a court is directed on review to enter  
36 judgment on a verdict or in any case where a judgment entered on a  
37 verdict is wholly or partly affirmed on review, interest on the

1 judgment or on that portion of the judgment affirmed shall date back to  
2 and shall accrue from the date the verdict was rendered at the uniform  
3 interest rate set forth in section 2 of this act. (~~The method for~~  
4 ~~determining an interest rate prescribed by this subsection is also the~~  
5 ~~method for determining the "rate applicable to civil judgments" for~~  
6 ~~purposes of RCW 10.82.090.~~)

7 **Sec. 6.** RCW 8.12.470 and 1947 c 152 s 1 are each amended to read  
8 as follows:

9 Wherever any assessment or installment thereof shall become  
10 delinquent, the city treasurer shall enforce the collection thereof in  
11 the same manner as provided in chapter 9, Laws of 1933 (~~{as codified~~  
12 ~~in chapter 35.50 RCW}~~), or such other laws as may be hereafter enacted  
13 for the foreclosure of delinquent local (physical) improvement  
14 assessments. All assessments or installments unpaid at the expiration  
15 of the time fixed herein for the payment of the same(~~( $\tau$ )~~) shall bear  
16 interest from the expiration date until paid at the uniform interest  
17 rate (~~(of ten percent per annum, from said date until paid)~~) set forth  
18 in section 2 of this act.

19 **Sec. 7.** RCW 8.25.230 and 1974 ex.s. c 79 s 3 are each amended to  
20 read as follows:

21 A lien established as provided in RCW 8.25.220 shall be satisfied  
22 or released by:

23 (1) Agreement between the parties to that effect; or  
24 (2) Payment of the lien amount plus interest at the uniform  
25 interest rate (~~(of five percent per annum)~~) set forth in section 2 of  
26 this act; or

27 (3) Payment, within four years of the date of acquisition, of the  
28 amount of offsetting special benefits as established pursuant to RCW  
29 8.25.220(3) plus interest at the uniform interest rate (~~(of five~~  
30 ~~percent per annum within four years of the date of acquisition)~~) set  
31 forth in section 2 of this act; or

32 (4) Satisfaction of a judgment lien entered as a result of a trial  
33 before a jury unless jury be waived to establish the change in value of  
34 the remainder of the original parcel because of the construction of the  
35 project involved: PROVIDED, That if the result of the trial is to find  
36 no special benefits then the lien is extinguished by operation of law.

1 Trial may be had on the petition of any party to the superior court of  
2 the county wherein the subject remainder lies after notice of intent to  
3 try the matter of special benefits has been served on all persons  
4 having an interest in the subject remainder. Such notice shall be  
5 filed with the clerk of the superior court and personally served upon  
6 all persons having an interest in the subject remainder. Filing a  
7 notice of intent to try the matter of special benefits shall be  
8 accompanied by a fee in the amount paid when filing a petition in  
9 condemnation.

10 (5) Upon expiration of six years time from the date of acquisition  
11 without commencement of proceedings to foreclose the lien or try the  
12 matter of special benefits to the remainder of the property, the lien  
13 shall terminate by operation of law.

14 **Sec. 8.** RCW 8.25.240 and 1974 ex.s. c 79 s 4 are each amended to  
15 read as follows:

16 A judgment entered as a result of a trial on the matter of special  
17 benefits shall not exceed the previously established sum of (1) the  
18 fair market value of any property taken; (2) the amount of damages if  
19 any to a remainder of the property, without offsetting against either  
20 of them the amount of any special benefits accruing to a remainder of  
21 the property; (3) the interest (~~at five percent per annum accrued~~  
22 ~~thereon to the date of entry of the judgment~~) at the uniform interest  
23 rate set forth in section 2 of this act.

24 **Sec. 9.** RCW 10.82.090 and 2004 c 121 s 1 are each amended to read  
25 as follows:

26 (1) Except as provided in subsection (2) of this section, financial  
27 obligations imposed in a judgment shall bear interest from the date of  
28 the judgment until payment, at the uniform interest rate (~~applicable~~  
29 ~~to civil judgments~~) set forth in section 2 of this act. All  
30 nonrestitution interest retained by the court shall be split twenty-  
31 five percent to the state treasurer for deposit in the public safety  
32 and education account as provided in RCW 43.08.250, twenty-five percent  
33 to the state treasurer for deposit in the judicial information system  
34 account as provided in RCW 2.68.020, twenty-five percent to the county  
35 current expense fund, and twenty-five percent to the county current  
36 expense fund to fund local courts.

1 (2) The court may, on motion by the offender, following the  
2 offender's release from total confinement, reduce or waive the interest  
3 on legal financial obligations levied as a result of a criminal  
4 conviction. The court may reduce or waive the interest only as an  
5 incentive for the offender to meet his or her legal financial  
6 obligations. The court may not waive the interest on the restitution  
7 portion of the legal financial obligation and may only reduce the  
8 interest on the restitution portion of the legal financial obligation  
9 if the principal of the restitution has been paid in full. The  
10 offender must show that he or she has personally made a good faith  
11 effort to pay, that the interest accrual is causing a significant  
12 hardship, and that he or she will be unable to pay the principal and  
13 interest in full and that reduction or waiver of the interest will  
14 likely enable the offender to pay the full principal and any remaining  
15 interest thereon. For purposes of this section, "good faith effort"  
16 means that the offender has either (a) paid the principal amount in  
17 full; or (b) made twenty-four consecutive monthly payments, excluding  
18 any payments mandatorily deducted by the department of corrections, on  
19 his or her legal financial obligations under his or her payment  
20 agreement with the court. The court may grant the motion, establish a  
21 payment schedule, and retain jurisdiction over the offender for  
22 purposes of reviewing and revising the reduction or waiver of interest.  
23 This section applies to persons convicted as adults or in juvenile  
24 court.

25 **Sec. 10.** RCW 15.08.150 and 1961 c 11 s 15.08.150 are each amended  
26 to read as follows:

27 If before or at the hearing the amount of the claim and the  
28 auditor's and sheriff's fees are paid to the county treasurer, he shall  
29 deliver to the auditor a duplicate receipt of the payment and the  
30 auditor shall cancel the lien and notify the county commissioners  
31 thereof. The treasurer shall pay the funds to the persons entitled  
32 thereto as appears from the records in the auditor's office.

33 If payment is not made, the auditor shall present to the board of  
34 county commissioners a verified copy of the record and claim, which  
35 shall be accepted in any proceeding as prima facie evidence of the  
36 truth of the contents thereof. The board shall receive and consider  
37 the record and claim and all sworn testimony offered, and shall enter

1 an order fixing the amount of the claim and costs, and direct the  
2 amount paid from the current expense fund, and the auditor shall draw  
3 warrants therefor. The auditor shall record the order in his office as  
4 other lien claims and it shall be a lien against the premises in favor  
5 of the county, and shall bear interest (~~((at six percent per year))~~) from  
6 the date of the order at the uniform interest rate set forth in section  
7 2 of this act.

8 **Sec. 11.** RCW 21.20.430 and 1998 c 15 s 20 are each amended to read  
9 as follows:

10 (1) Any person, who offers or sells a security in violation of any  
11 provisions of RCW 21.20.010, 21.20.140 (1) or (2), or 21.20.180 through  
12 21.20.230, is liable to the person buying the security from him or her,  
13 who may sue either at law or in equity to recover the consideration  
14 paid for the security, together with interest (~~((at eight percent per~~  
15 ~~annum))~~) from the date of payment at the uniform interest rate set forth  
16 in section 2 of this act, costs, and reasonable attorneys' fees, less  
17 the amount of any income received on the security, upon the tender of  
18 the security, or for damages if he or she no longer owns the security.  
19 Damages are the amount that would be recoverable upon a tender less (a)  
20 the value of the security when the buyer disposed of it and (b)  
21 interest (~~((at eight percent per annum))~~) from the date of disposition at  
22 the uniform interest rate set forth in section 2 of this act.

23 (2) Any person who buys a security in violation of the provisions  
24 of RCW 21.20.010 is liable to the person selling the security to him or  
25 her, who may sue either at law or in equity to recover the security,  
26 together with any income received on the security, upon tender of the  
27 consideration received, costs, and reasonable attorneys' fees, or if  
28 the security cannot be recovered, for damages. Damages are the value  
29 of the security when the buyer disposed of it, and any income received  
30 on the security, less the consideration received for the security, plus  
31 interest (~~((at eight percent per annum))~~) from the date of disposition at  
32 the uniform interest rate set forth in section 2 of this act, costs,  
33 and reasonable attorneys' fees.

34 (3) Every person who directly or indirectly controls a seller or  
35 buyer liable under subsection (1) or (2) above, every partner, officer,  
36 director or person who occupies a similar status or performs a similar  
37 function of such seller or buyer, every employee of such a seller or

1 buyer who materially aids in the transaction, and every broker-dealer,  
2 salesperson, or person exempt under the provisions of RCW 21.20.040 who  
3 materially aids in the transaction is also liable jointly and severally  
4 with and to the same extent as the seller or buyer, unless such person  
5 sustains the burden of proof that he or she did not know, and in the  
6 exercise of reasonable care could not have known, of the existence of  
7 the facts by reason of which the liability is alleged to exist. There  
8 is contribution as in cases of contract among the several persons so  
9 liable.

10 (4)(a) Every cause of action under this statute survives the death  
11 of any person who might have been a plaintiff or defendant.

12 (b) No person may sue under this section more than three years  
13 after the contract of sale for any violation of the provisions of RCW  
14 21.20.140 (1) or (2) or 21.20.180 through 21.20.230, or more than three  
15 years after a violation of the provisions of RCW 21.20.010, either was  
16 discovered by such person or would have been discovered by him or her  
17 in the exercise of reasonable care. No person may sue under this  
18 section if the buyer or seller receives a written rescission offer,  
19 which has been passed upon by the director before suit and at a time  
20 when he or she owned the security, to refund the consideration paid  
21 together with interest ((~~at eight percent per annum~~)) from the date of  
22 payment at the uniform interest rate set forth in section 2 of this  
23 act, less the amount of any income received on the security in the case  
24 of a buyer, or plus the amount of income received on the security in  
25 the case of a seller.

26 (5) No person who has made or engaged in the performance of any  
27 contract in violation of any provision of this chapter or any rule or  
28 order hereunder, or who has acquired any purported right under any such  
29 contract with knowledge of the facts by reason of which its making or  
30 performance was in violation, may base any suit on the contract. Any  
31 condition, stipulation, or provision binding any person acquiring any  
32 security to waive compliance with any provision of this chapter or any  
33 rule or order hereunder is void.

34 (6) Any tender specified in this section may be made at any time  
35 before entry of judgment.

36 (7) Notwithstanding subsections (1) through (6) of this section, if  
37 an initial offer or sale of securities that are exempt from  
38 registration under RCW 21.20.310 is made by this state or its agencies,

1 political subdivisions, municipal or quasi-municipal corporations, or  
2 other instrumentality of one or more of the foregoing and is in  
3 violation of RCW 21.20.010(2), and any such issuer, member of the  
4 governing body, committee member, public officer, director, employee,  
5 or agent of such issuer acting on its behalf, or person in control of  
6 such issuer, member of the governing body, committee member, public  
7 officer, director, employee, or agent of such person acting on its  
8 behalf, materially aids in the offer or sale, such person is liable to  
9 the purchaser of the security only if the purchaser establishes  
10 scienter on the part of the defendant. The word "employee" or the word  
11 "agent," as such words are used in this subsection, do not include a  
12 bond counsel or an underwriter. Under no circumstances whatsoever  
13 shall this subsection be applied to require purchasers to establish  
14 scienter on the part of bond counsels or underwriters. The provisions  
15 of this subsection are retroactive and apply to any action commenced  
16 but not final before July 27, 1985. In addition, the provisions of  
17 this subsection apply to any action commenced on or after July 27,  
18 1985.

19 **Sec. 12.** RCW 15.26.220 and 1969 c 129 s 22 are each amended to  
20 read as follows:

21 In the event any person fails to pay the full amount of such  
22 assessment or such other sum on or before the due date, the commission  
23 may add to such unpaid assessment or sum an amount not more than ten  
24 percent but not less than one dollar of the same to defray the cost of  
25 enforcing the collection of such assessment, together with interest per  
26 month on the unpaid balance (~~(of one percent per month)~~) commencing the  
27 first month following the month in which payment was due at the uniform  
28 interest rate set forth in section 2 of this act. In the event of  
29 failure of such person or persons to pay any such due and payable  
30 assessment or other such sum, the commission may bring a civil action  
31 against such person or persons in a state court of competent  
32 jurisdiction for the collection thereof, together with the interest and  
33 the above specified ten percent thereon, and such reasonable attorneys'  
34 fees as may be allowed by the court, and such action shall be tried and  
35 judgment rendered as in any other cause of action for debt due and  
36 payable.

1       **Sec. 13.** RCW 15.62.150 and 1989 c 5 s 15 are each amended to read  
2 as follows:

3       (1) All assessments shall be collected by the commission on a  
4 quarterly basis or as otherwise determined by the commission.

5       (2) The commission shall create a local fund in a local financial  
6 institution approved by the director and shall deposit therein, each  
7 day, all moneys received by the commission except an amount for petty  
8 cash as fixed by commission regulations. Moneys in the fund shall only  
9 be expended for the purposes of this chapter. Moneys in the fund are  
10 not subject to appropriation.

11       (3) The commission fund is authorized to receive such gifts,  
12 grants, and endowments from public or private sources as may be made  
13 from time to time, in trust or otherwise, for the use and benefit of  
14 the purposes of the commission and expend the same or any income  
15 therefrom according to the terms of the gifts, grants, or endowments.

16       (4) If an affected person fails to remit any assessment, such  
17 assessment, plus interest (~~(at the rate of one percent)~~) per month from  
18 the due date at the uniform interest rate set forth in section 2 of  
19 this act, shall constitute a personal debt of the person assessed or  
20 who otherwise owes the assessment and shall be due and payable within  
21 thirty days from the date it becomes first due the commission. In the  
22 event of failure of the person to pay due and payable assessments, the  
23 commission may bring civil action against the person in a state court  
24 of competent jurisdiction for collection thereof, together with any  
25 reasonable costs including attorneys' fees. The action shall be tried  
26 and judgment rendered as in any other cause of action for debt due and  
27 payable. This provision is in addition to the penalty section  
28 contained in RCW 15.62.220.

29       **Sec. 14.** RCW 26.18.110 and 1998 c 77 s 2 are each amended to read  
30 as follows:

31       (1) An employer upon whom service of a wage assignment order has  
32 been made shall answer the order by sworn affidavit within twenty days  
33 after the date of service. The answer shall state whether the obligor  
34 is employed by or receives earnings or other remuneration from the  
35 employer, whether the employer will honor the wage assignment order,  
36 and whether there are either multiple child support or spousal  
37 maintenance attachments, or both, against the obligor.

1 (2) If the employer possesses any earnings or remuneration due and  
2 owing to the obligor, the earnings subject to the wage assignment order  
3 shall be withheld immediately upon receipt of the wage assignment  
4 order. The withheld earnings shall be delivered to the Washington  
5 state support registry or, if the wage assignment order is to satisfy  
6 a duty of spousal maintenance, to the addressee specified in the  
7 assignment within five working days of each regular pay interval.

8 (3) The employer shall continue to withhold the ordered amounts  
9 from nonexempt earnings or remuneration of the obligor until notified  
10 by:

11 (a) The court that the wage assignment has been modified or  
12 terminated; or

13 (b) The Washington state support registry or obligee that the  
14 accrued child support or spousal maintenance debt has been paid,  
15 provided the wage assignment order contains the language set forth  
16 under RCW 26.18.100(3)(b). The employer shall promptly notify the  
17 addressee specified in the assignment when the employee is no longer  
18 employed. If the employer no longer employs the employee, the wage  
19 assignment order shall remain in effect for one year after the employee  
20 has left the employment or the employer has been in possession of any  
21 earnings or remuneration owed to the employee, whichever is later. The  
22 employer shall continue to hold the wage assignment order during that  
23 period. If the employee returns to the employer's employment during  
24 the one-year period the employer shall immediately begin to withhold  
25 the employee's earnings or remuneration according to the terms of the  
26 wage assignment order. If the employee has not returned within one  
27 year, the wage assignment shall cease to have effect at the expiration  
28 of the one-year period, unless the employer continues to owe  
29 remuneration for employment to the obligor.

30 (4) The employer may deduct a processing fee from the remainder of  
31 the employee's earnings after withholding under the wage assignment  
32 order, even if the remainder is exempt under RCW 26.18.090. The  
33 processing fee may not exceed (a) ten dollars for the first  
34 disbursement made by the employer to the Washington state support  
35 registry; and (b) one dollar for each subsequent disbursement to the  
36 clerk.

37 (5) An order for wage assignment for support for a dependent child  
38 entered under this chapter shall have priority over any other wage

1 assignment or garnishment, except for another wage assignment or  
2 garnishment for child support, or order to withhold and deliver under  
3 chapter 74.20A RCW. An order for wage assignment for spousal  
4 maintenance entered under this chapter shall have priority over any  
5 other wage assignment or garnishment, except for a wage assignment,  
6 garnishment, or order to withhold and deliver under chapter 74.20A RCW  
7 for support of a dependent child, and except for another wage  
8 assignment or garnishment for spousal maintenance.

9 (6) An employer who fails to withhold earnings as required by a  
10 wage assignment issued under this chapter may be held liable to the  
11 obligee for one hundred percent of the support or spousal maintenance  
12 debt, or the amount of support or spousal maintenance moneys that  
13 should have been withheld from the employee's earnings whichever is the  
14 lesser amount, if the employer:

15 (a) Fails or refuses, after being served with a wage assignment  
16 order, to deduct and promptly remit from the unpaid earnings the  
17 amounts of money required in the order;

18 (b) Fails or refuses to submit an answer to the notice of wage  
19 assignment after being served; or

20 (c) Is unwilling to comply with the other requirements of this  
21 section.

22 Liability may be established in superior court. Awards in superior  
23 court shall include costs, interest under RCW (~~19.52.020~~ and)  
24 4.56.110(3), and reasonable attorneys' fees.

25 (7) No employer who complies with a wage assignment issued under  
26 this chapter may be liable to the employee for wrongful withholding.

27 (8) No employer may discharge, discipline, or refuse to hire an  
28 employee because of the entry or service of a wage assignment issued  
29 and executed under this chapter. If an employer discharges,  
30 disciplines, or refuses to hire an employee in violation of this  
31 section, the employee or person shall have a cause of action against  
32 the employer. The employer shall be liable for double the amount of  
33 damages suffered as a result of the violation and for costs and  
34 reasonable attorneys' fees, and shall be subject to a civil penalty of  
35 not more than two thousand five hundred dollars for each violation.  
36 The employer may also be ordered to hire, rehire, or reinstate the  
37 aggrieved individual.

1 (9) For wage assignments payable to the Washington state support  
2 registry, an employer may combine amounts withheld from various  
3 employees into a single payment to the Washington state support  
4 registry, if the payment includes a listing of the amounts attributable  
5 to each employee and other information as required by the registry.

6 (10) An employer shall deliver a copy of the wage assignment order  
7 to the obligor as soon as is reasonably possible.

8 **Sec. 15.** RCW 26.23.030 and 1997 c 58 s 905 are each amended to  
9 read as follows:

10 (1) There is created a Washington state support registry within the  
11 division of child support as the agency designated in Washington state  
12 to administer the child support program under Title IV-D of the federal  
13 social security act. The registry shall:

14 (a) Provide a central unit for collection of support payments made  
15 to the registry;

16 (b) Account for and disburse all support payments received by the  
17 registry;

18 (c) Maintain the necessary records including, but not limited to,  
19 information on support orders, support debts, the date and amount of  
20 support due; the date and amount of payments; and the names, social  
21 security numbers, and addresses of the parties;

22 (d) Develop procedures for providing information to the parties  
23 regarding action taken by, and support payments collected and  
24 distributed by the registry; and

25 (e) Maintain a state child support case registry to compile and  
26 maintain records on all child support orders entered in the state of  
27 Washington.

28 (2) The division of child support may assess and collect interest  
29 (~~(at the rate of twelve percent)~~) per year on unpaid child support that  
30 has accrued under any support order entered into the registry at the  
31 uniform interest rate set forth in section 2 of this act. This  
32 interest rate shall not apply to those support orders already  
33 specifying an interest assessment at a different rate.

34 (3) The secretary of social and health services shall adopt rules  
35 for the maintenance and retention of records of support payments and  
36 for the archiving and destruction of such records when the support  
37 obligation terminates or is satisfied. When a support obligation

1 established under court order entered in a superior court of this state  
2 has been satisfied, a satisfaction of judgment form shall be prepared  
3 by the registry and filed with the clerk of the court in which the  
4 order was entered.

5 **Sec. 16.** RCW 26.23.090 and 1997 c 296 s 13 and 1997 c 58 s 894 are  
6 each reenacted and amended to read as follows:

7 (1) The employer shall be liable to the Washington state support  
8 registry, or to the agency or firm providing child support enforcement  
9 for another state, under Title IV-D of the federal social security act  
10 and issuing a notice, garnishment, or wage assignment attaching wages  
11 or earnings in satisfaction of a support obligation, for the amount of  
12 support moneys which should have been withheld from the employee's  
13 earnings, if the employer:

14 (a) Fails or refuses, after being served with a notice of payroll  
15 deduction, or substantially similar action issued by the agency or firm  
16 providing child support enforcement for another state, under Title IV-D  
17 of the federal social security act, to deduct and promptly remit from  
18 unpaid earnings the amounts of money required in the notice;

19 (b) Fails or refuses to submit an answer to the notice of payroll  
20 deduction, or substantially similar action issued by the agency or firm  
21 providing child support enforcement for another state, under Title IV-D  
22 of the federal social security act, after being served; or

23 (c) Is unwilling to comply with the other requirements of RCW  
24 26.23.060.

25 (2) Liability may be established in superior court or may be  
26 established pursuant to RCW 74.20A.350. Awards in superior court and  
27 in actions pursuant to RCW 74.20A.350 shall include costs, interest  
28 under ((RCW 19.52.020 and 4.56.110)) section 2 of this act, and  
29 reasonable attorneys' fees and staff costs as a part of the award.  
30 Debts established pursuant to this section may be collected by the  
31 division of child support using any of the remedies available under  
32 chapter 26.09, 26.18, ((26.21)) 26.21A, 26.23, 74.20, or 74.20A RCW for  
33 the collection of child support.

34 **Sec. 17.** RCW 43.17.240 and 1991 c 85 s 2 are each amended to read  
35 as follows:

36 Interest ((at the rate of one percent)) per month((, or fraction

1 ~~thereof,~~) shall accrue on debts owed to the state, starting on the  
2 date the debts become past due at the uniform interest rate set forth  
3 in section 2 of this act. This section does not apply to: (1) Any  
4 instance where such interest rate would conflict with the provisions of  
5 a contract or with the provisions of any other law; or (2) debts to be  
6 paid by other governmental units. The office of financial management  
7 may adopt rules specifying circumstances under which state agencies may  
8 waive interest, such as when assessment or collection of interest would  
9 not be cost-effective. This section does not affect any authority of  
10 the state to charge or collect interest under any other law on a debt  
11 owed to the state by a governmental unit. This section applies only to  
12 debts which become due on or after July 28, 1991.

13 **Sec. 18.** RCW 46.87.310 and 1996 c 91 s 2 are each amended to read  
14 as follows:

15 Any owner whose application for proportional registration has been  
16 accepted shall preserve the records on which the application is based  
17 for a period of four years following the preceding year or period upon  
18 which the application is based. These records shall be complete and  
19 shall include, but not be limited to, the following: Copies of  
20 proportional registration applications and supplements for all  
21 jurisdictions in which the fleet is prorated; proof of proportional or  
22 full registration with other jurisdictions; vehicle license or trip  
23 permits; temporary authorization permits; documents establishing the  
24 latest purchase year and cost of each fleet vehicle in ready-for-the-  
25 road condition; weight certificates indicating the unladen, ready-for-  
26 the-road, weight of each vehicle in the fleet; periodic summaries of  
27 mileage by fleet and by individual vehicles; individual trip reports,  
28 driver's daily logs, or other source documents maintained for each  
29 individual trip that provide trip dates, points of origin and  
30 destinations, total miles traveled, miles traveled in each  
31 jurisdiction, routes traveled, vehicle equipment number, driver's full  
32 name, and all other information pertinent to each trip. Upon request  
33 of the department, the owner shall make the records available to the  
34 department at its designated office for audit as to accuracy of  
35 records, computations, and payments. The department shall assess and  
36 collect any unpaid fees and taxes found to be due the state and provide  
37 credits or refunds for overpayments of Washington fees and taxes as

1 determined in accordance with formulas and other requirements  
2 prescribed in this chapter. If the owner fails to maintain complete  
3 records as required by this section, the department shall attempt to  
4 reconstruct or reestablish such records. However, if the department is  
5 unable to do so and the missing or incomplete records involve mileages  
6 accrued by vehicles while they are part of the fleet, the department  
7 may assess an amount not to exceed the difference between the  
8 Washington proportional fees and taxes paid and one hundred percent of  
9 the fees and taxes. Further, if the owner fails to maintain complete  
10 records as required by this section, or if the department determines  
11 that the owner should have registered more vehicles in this state under  
12 this chapter, the department may deny the owner the right of any  
13 further benefits provided by this chapter until any final audit or  
14 assessment made under this chapter has been satisfied.

15 The department may audit the records of any owner and may make  
16 arrangements with agencies of other jurisdictions administering motor  
17 vehicle registration laws for joint audits of any such owner. No  
18 assessment for deficiency or claim for credit may be made for any  
19 period for which records are no longer required. Any fees, taxes,  
20 penalties, or interest found to be due and owing the state upon audit  
21 shall bear interest (~~((at the rate of one percent))~~) per month(~~(, or~~  
22 ~~fraction thereof,)~~) from the first day of the calendar month after the  
23 amount should have been paid until the date of payment at the uniform  
24 interest rate set forth in section 2 of this act. If the audit  
25 discloses a deliberate and willful intent to evade the requirements of  
26 payment under RCW 46.87.140, a penalty of ten percent shall also be  
27 assessed.

28 If the audit discloses that an overpayment to the state in excess  
29 of ten dollars has been made, the department shall certify the  
30 overpayment to the state treasurer who shall issue a warrant for the  
31 overpayment to the vehicle operator. Overpayments shall bear interest  
32 (~~((at the rate of eight percent))~~) per annum from the date on which the  
33 overpayment is incurred until the date of payment at the uniform  
34 interest rate set forth in section 2 of this act.

35 **Sec. 19.** RCW 49.48.083 and 2006 c 89 s 2 are each amended to read  
36 as follows:

37 (1) If an employee files a wage complaint with the department, the

1 department shall investigate the wage complaint. Unless otherwise  
2 resolved, the department shall issue either a citation and notice of  
3 assessment or a determination of compliance: (a) No later than sixty  
4 days after the date on which the department received the wage  
5 complaint, unless the department extends this time period for good  
6 cause; and (b) no later than three years after the date on which the  
7 cause of action accrued, unless a longer period of time applies under  
8 law. Such cause of action for wage claims accrues from the date when  
9 the wages are due. The department shall send the citation and notice  
10 of assessment or the determination of compliance to both the employer  
11 and the employee by service of process or certified mail to their last  
12 known addresses.

13 (2) If the department determines that an employer has violated a  
14 wage payment requirement and issues to the employer a citation and  
15 notice of assessment, the department may order the employer to pay  
16 employees all wages owed, including interest (~~(of one percent)~~) per  
17 month on all wages owed, to the employee, at the uniform interest rate  
18 set forth in section 2 of this act.

19 (3) If the department determines that the violation of the wage  
20 payment requirement was a willful violation, the department also may  
21 order the employer to pay the department a civil penalty as specified  
22 in (a) of this subsection.

23 (a) A civil penalty for a willful violation of a wage payment  
24 requirement shall be not less than five hundred dollars or an amount  
25 equal to ten percent of the total amount of unpaid wages, whichever is  
26 greater. The maximum civil penalty for a willful violation of a wage  
27 payment requirement shall be twenty thousand dollars.

28 (b) The department may not assess a civil penalty if the employer  
29 reasonably relied on: (i) A rule related to any wage payment  
30 requirement; (ii) a written order, ruling, approval, opinion, advice,  
31 determination, or interpretation of the director; or (iii) an  
32 interpretive or administrative policy issued by the department and  
33 filed with the office of the code reviser. In accordance with the  
34 department's retention schedule obligations under chapter 40.14 RCW,  
35 the department shall maintain a complete and accurate record of all  
36 written orders, rulings, approvals, opinions, advice, determinations,  
37 and interpretations for purposes of determining whether an employer is  
38 immune from civil penalties under (b)(ii) of this subsection.

1 (c) The department shall waive any civil penalty assessed against  
2 an employer under this section if the director determines that the  
3 employer has provided payment to the employee of all wages that the  
4 department determined that the employer owed to the employee, including  
5 interest, within ten business days of the employer's receipt of the  
6 citation and notice of assessment from the department.

7 (d) The department may waive at any time a civil penalty assessed  
8 under this section, in whole or in part, if the director determines  
9 that the employer paid all wages owed to an employee.

10 (e) The department shall deposit civil penalties paid under this  
11 section in the supplemental pension fund established under RCW  
12 51.44.033.

13 (4) Upon payment by an employer, and acceptance by an employee, of  
14 all wages and interest assessed by the department in a citation and  
15 notice of assessment issued to the employer, the fact of such payment  
16 by the employer, and of such acceptance by the employee, shall: (a)  
17 Constitute a full and complete satisfaction by the employer of all  
18 specific wage payment requirements addressed in the citation and notice  
19 of assessment; and (b) bar the employee from initiating or pursuing any  
20 court action or other judicial or administrative proceeding based on  
21 the specific wage payment requirements addressed in the citation and  
22 notice of assessment. The citation and notice of assessment shall  
23 include a notification and summary of the specific requirements of this  
24 subsection.

25 **Sec. 20.** RCW 49.70.177 and 1986 c 310 s 2 are each amended to read  
26 as follows:

27 If payment of any fee assessed under RCW 49.70.170 is not received  
28 by the department by the due date, there shall be assessed a penalty of  
29 five percent of the amount of the fee. If the fee is not received  
30 within thirty days after the due date, there shall be assessed a total  
31 penalty of ten percent of the amount of the fee. If the fee is not  
32 received within sixty days after the due date, there shall be assessed  
33 a total penalty of twenty percent of the amount of the fee. No penalty  
34 added may be less than ten dollars. If a warrant is issued by the  
35 department for the collection of fees, penalties, and interest, there  
36 shall be an additional penalty of five percent of the amount of the  
37 fee, but not less than five dollars nor more than one hundred dollars.

1 Warrants shall earn interest (~~((at the rate of one percent))~~) per  
2 month(~~(, or fraction thereof,)~~) from and after the date of entry of the  
3 warrant at the uniform interest rate set forth in section 2 of this  
4 act. The department may utilize the procedures for collection of fees,  
5 penalties, and interest set forth in Title 51 RCW.

6 **Sec. 21.** RCW 50.24.040 and 1987 c 111 s 3 are each amended to read  
7 as follows:

8 If contributions are not paid on the date on which they are due and  
9 payable as prescribed by the commissioner, the whole or part thereof  
10 remaining unpaid shall bear interest (~~((at the rate of one percent))~~) per  
11 month or fraction thereof from and after such date until payment plus  
12 accrued interest is received by (~~(him)~~) the commissioner. Interest  
13 under this section shall be computed at the uniform interest rate set  
14 forth in section 2 of this act. The date as of which payment of  
15 contributions, if mailed, is deemed to have been received may be  
16 determined by such regulations as the commissioner may prescribe.  
17 Interest collected pursuant to this section shall be paid into the  
18 administrative contingency fund. Interest (~~((shall))~~) may not accrue on  
19 contributions from any estate in the hands of a receiver, executor,  
20 administrator, trustee in bankruptcy, common law assignee or other  
21 liquidating officer subsequent to the date when such receiver,  
22 executor, administrator, trustee in bankruptcy, common law assignee or  
23 other liquidating officer qualifies as such, but contributions accruing  
24 with respect to employment of persons by any receiver, executor,  
25 administrator, trustee in bankruptcy, common law assignee or other  
26 liquidating officer shall become due and shall draw interest in the  
27 same manner as contributions due from other employers. Where adequate  
28 information has been furnished the department and the department has  
29 failed to act or has advised the employer of no liability or inability  
30 to decide the issue, interest may be waived.

31 **Sec. 22.** RCW 51.48.210 and 1987 c 111 s 8 are each amended to read  
32 as follows:

33 If payment of any tax due is not received by the department by the  
34 due date, there shall be assessed a penalty of five percent of the  
35 amount of the tax for the first month or part thereof of delinquency;  
36 there shall be assessed a total penalty of ten percent of the amount of

1 the tax for the second month or part thereof of delinquency; and there  
2 shall be assessed a total penalty of twenty percent of the amount of  
3 the tax for the third month or part thereof of delinquency. No penalty  
4 so added may be less than ten dollars. If a warrant is issued by the  
5 department for the collection of taxes, increases, and penalties, there  
6 shall be added thereto a penalty of five percent of the amount of the  
7 tax, but not less than five dollars nor greater than one hundred  
8 dollars. In addition, delinquent taxes shall bear interest (~~((at the  
9 rate of one percent of the delinquent amount))~~) per month (~~((or fraction  
10 thereof))~~) from and after the due date until payment, increases, and  
11 penalties are received by the department at the uniform interest rate  
12 set forth in section 2 of this act.

13 **Sec. 23.** RCW 70.94.431 and 1995 c 403 s 630 are each amended to  
14 read as follows:

15 (1) Except as provided in RCW 43.05.060 through 43.05.080 and  
16 43.05.150, and in addition to or as an alternate to any other penalty  
17 provided by law, any person who violates any of the provisions of  
18 chapter 70.94 RCW, chapter 70.120 RCW, or any of the rules in force  
19 under such chapters may incur a civil penalty in an amount not to  
20 exceed ten thousand dollars per day for each violation. Each such  
21 violation shall be a separate and distinct offense, and in case of a  
22 continuing violation, each day's continuance shall be a separate and  
23 distinct violation.

24 Any person who fails to take action as specified by an order issued  
25 pursuant to this chapter shall be liable for a civil penalty of not  
26 more than ten thousand dollars for each day of continued noncompliance.

27 (2) Penalties incurred but not paid shall accrue interest,  
28 beginning on the ninety-first day following the date that the penalty  
29 becomes due and payable, at the (~~((highest))~~) uniform interest rate  
30 (~~((allowed by RCW 19.52.020 on))~~) set forth in section 2 of this act the  
31 date that the penalty becomes due and payable. If violations or  
32 penalties are appealed, interest shall not begin to accrue until the  
33 thirty-first day following final resolution of the appeal.

34 The maximum penalty amounts established in this section may be  
35 increased annually to account for inflation as determined by the state  
36 office of the economic and revenue forecast council.

1 (3) Each act of commission or omission which procures, aids or  
2 abets in the violation shall be considered a violation under the  
3 provisions of this section and subject to the same penalty. The  
4 penalties provided in this section shall be imposed pursuant to RCW  
5 43.21B.300.

6 (4) All penalties recovered under this section by the department  
7 shall be paid into the state treasury and credited to the air pollution  
8 control account established in RCW 70.94.015 or, if recovered by the  
9 authority, shall be paid into the treasury of the authority and  
10 credited to its funds. If a prior penalty for the same violation has  
11 been paid to a local authority, the penalty imposed by the department  
12 under subsection (1) of this section shall be reduced by the amount of  
13 the payment.

14 (5) To secure the penalty incurred under this section, the state or  
15 the authority shall have a lien on any vessel used or operated in  
16 violation of this chapter which shall be enforced as provided in RCW  
17 60.36.050.

18 (6) Public or private entities that are recipients or potential  
19 recipients of department grants, whether for air quality related  
20 activities or not, may have such grants rescinded or withheld by the  
21 department for failure to comply with provisions of this chapter.

22 (7) In addition to other penalties provided by this chapter,  
23 persons knowingly under-reporting emissions or other information used  
24 to set fees, or persons required to pay emission or permit fees who are  
25 more than ninety days late with such payments may be subject to a  
26 penalty equal to three times the amount of the original fee owed.

27 (8) By January 1, 1992, the department shall develop rules for  
28 excusing excess emissions from enforcement action if such excess  
29 emissions are unavoidable. The rules shall specify the criteria and  
30 procedures for the department and local air authorities to determine  
31 whether a period of excess emissions is excusable in accordance with  
32 the state implementation plan.

33 **Sec. 24.** RCW 70.119A.040 and 1995 c 376 s 8 are each amended to  
34 read as follows:

35 (1)(a) In addition to or as an alternative to any other penalty or  
36 action allowed by law, a person who violates a law or rule regulating  
37 public water systems and administered by the department of health is

1 subject to a penalty of not more than five thousand dollars per day for  
2 every such violation, or, in the case of a violation that has been  
3 determined to be a public health emergency, a penalty of not more than  
4 ten thousand dollars per day for every such violation. Every such  
5 violation shall be a separate and distinct offense. The amount of fine  
6 shall reflect the health significance of the violation and the previous  
7 record of compliance on the part of the public water supplier. In case  
8 of continuing violation, every day's continuance shall be a separate  
9 and distinct violation.

10 (b) In addition, a person who constructs, modifies, or expands a  
11 public water system or who commences the construction, modification, or  
12 expansion of a public water system without first obtaining the required  
13 departmental approval is subject to penalties of not more than five  
14 thousand dollars per service connection, or, in the case of a system  
15 serving a transient population, a penalty of not more than four hundred  
16 dollars per person based on the highest average daily population the  
17 system serves or is anticipated to serve may be imposed. The total  
18 penalty that may be imposed pursuant to this subsection (1)(b) is five  
19 hundred thousand dollars. For the purpose of computing the penalty  
20 under this subsection, a service connection shall include any new  
21 service connection actually constructed, any anticipated service  
22 connection the system has been designed to serve, and, in the case of  
23 a system modification not involving expansions, each existing service  
24 connection that benefits or would benefit from the modification.

25 (c) Every person who, through an act of commission or omission,  
26 procures, aids, or abets a violation is considered to have violated the  
27 provisions of this section and is subject to the penalty provided in  
28 this section.

29 (2) The penalty provided for in this section shall be imposed by a  
30 notice in writing to the person against whom the civil penalty is  
31 assessed and shall describe the violation. The notice shall be  
32 personally served in the manner of service of a summons in a civil  
33 action or in a manner that shows proof of receipt. A penalty imposed  
34 by this section is due twenty-eight days after receipt of notice unless  
35 application for an adjudicative proceeding is filed as provided in  
36 subsection (3) of this section.

37 (3) Within twenty-eight days after notice is received, the person

1 incurring the penalty may file an application for an adjudicative  
2 proceeding and may pursue subsequent review as provided in chapter  
3 34.05 RCW and applicable rules of the department or board of health.

4 (4) A penalty imposed by a final administrative order is due upon  
5 service of the final administrative order. A person who fails to pay  
6 a penalty assessed by a final administrative order within thirty days  
7 of service of the final administrative order shall pay, in addition to  
8 the amount of the penalty, interest (~~(at the rate of one percent of~~  
9 ~~the)~~) on any unpaid balance of the assessed penalty for each month or  
10 part of a month that the penalty remains unpaid, which interest shall  
11 be assessed at the uniform interest rate set forth in section 2 of this  
12 act; commencing with the month in which the notice of penalty was  
13 served and such reasonable attorney's fees as are incurred in securing  
14 the final administrative order.

15 (5) A person who institutes proceedings for judicial review of a  
16 final administrative order assessing a civil penalty under this chapter  
17 shall place the full amount of the penalty in an interest bearing  
18 account in the registry of the reviewing court. At the conclusion of  
19 the proceeding the court shall, as appropriate, enter a judgment on  
20 behalf of the department and order that the judgment be satisfied to  
21 the extent possible from moneys paid into the registry of the court or  
22 shall enter a judgment in favor of the person appealing the penalty  
23 assessment and order return of the moneys paid into the registry of the  
24 court together with accrued interest to the person appealing. The  
25 judgment may award reasonable attorney's fees for the cost of the  
26 attorney general's office in representing the department.

27 (6) If no appeal is taken from a final administrative order  
28 assessing a civil penalty under this chapter, the department may file  
29 a certified copy of the final administrative order with the clerk of  
30 the superior court in which the public water system is located or in  
31 Thurston county, and the clerk shall enter judgment in the name of the  
32 department and in the amount of the penalty assessed in the final  
33 administrative order.

34 (7) A judgment entered under subsection (5) or (6) of this section  
35 shall have the same force and effect as, and is subject to all of the  
36 provisions of law relating to, a judgment in a civil action, and may be  
37 enforced in the same manner as any other judgment of the court in which  
38 it is entered.

1 (8) All penalties imposed under this section shall be payable to  
2 the state treasury and credited to the safe drinking water account, and  
3 shall be used by the department to provide training and technical  
4 assistance to system owners and operators.

5 (9) Except in cases of public health emergencies, the department  
6 may not impose monetary penalties under this section unless a prior  
7 effort has been made to resolve the violation informally.

8 **Sec. 25.** RCW 82.32.050 and 2007 c 111 s 106 are each amended to  
9 read as follows:

10 (1) If upon examination of any returns or from other information  
11 obtained by the department it appears that a tax or penalty has been  
12 paid less than that properly due, the department shall assess against  
13 the taxpayer such additional amount found to be due and shall add  
14 thereto interest on the tax only. The department shall notify the  
15 taxpayer by mail, or electronically as provided in RCW 82.32.135, of  
16 the additional amount and the additional amount shall become due and  
17 shall be paid within thirty days from the date of the notice, or within  
18 such further time as the department may provide.

19 (a) For tax liabilities arising before January 1, 1992, interest  
20 shall be computed at the rate of nine percent per annum from the last  
21 day of the year in which the deficiency is incurred until the earlier  
22 of December 31, 1998, or the date of payment. After December 31, 1998,  
23 the rate of interest shall be variable and computed as provided in  
24 subsection (2) of this section. The rate so computed shall be adjusted  
25 on the first day of January of each year for use in computing interest  
26 for that calendar year.

27 (b) For tax liabilities arising after December 31, 1991, the rate  
28 of interest shall be variable and computed as provided in subsection  
29 (2) of this section from the last day of the year in which the  
30 deficiency is incurred until the date of payment. The rate so computed  
31 shall be adjusted on the first day of January of each year for use in  
32 computing interest for that calendar year.

33 (c) Interest imposed after December 31, 1998, and before January 1,  
34 2009, shall be computed from the last day of the month following each  
35 calendar year included in a notice, and the last day of the month  
36 following the final month included in a notice if not the end of a  
37 calendar year, until the due date of the notice. If payment in full is

1 not made by the due date of the notice, additional interest shall be  
2 computed until the date of payment. The rate of interest shall be  
3 variable and computed as provided in subsection (2) of this section.  
4 The rate so computed shall be adjusted on the first day of January of  
5 each year for use in computing interest for that calendar year.

6 (d) Interest imposed after December 31, 2008, shall be computed  
7 from the last day of the month following each calendar year included in  
8 a notice, and the last day of the month following the final month  
9 included in a notice if not the end of a calendar year, until the due  
10 date of the notice. If payment in full is not made by the due date of  
11 the notice, additional interest shall be computed until the date of  
12 payment. The rate of interest shall be computed as provided in  
13 subsection (3) of this section. The rate so computed shall be adjusted  
14 on the first day of January of each year for use in computing interest  
15 for that calendar year.

16 (2) For the purposes of this section for interest imposed before  
17 January 1, 2009, the rate of interest to be charged to the taxpayer  
18 shall be an average of the federal short-term rate as defined in 26  
19 U.S.C. Sec. 1274(d) plus two percentage points. The rate set for each  
20 new year shall be computed by taking an arithmetical average to the  
21 nearest percentage point of the federal short-term rate, compounded  
22 annually. That average shall be calculated using the rates from four  
23 months: January, April, and July of the calendar year immediately  
24 preceding the new year, and October of the previous preceding year.

25 (3) For the purposes of this section for interest imposed after  
26 January 1, 2009, the rate of interest to be charged to the taxpayer  
27 shall be the uniform interest rate set forth in section 2 of this act.

28 (4) No assessment or correction of an assessment for additional  
29 taxes, penalties, or interest due may be made by the department more  
30 than four years after the close of the tax year, except (a) against a  
31 taxpayer who has not registered as required by this chapter, (b) upon  
32 a showing of fraud or of misrepresentation of a material fact by the  
33 taxpayer, or (c) where a taxpayer has executed a written waiver of such  
34 limitation. The execution of a written waiver shall also extend the  
35 period for making a refund or credit as provided in RCW 82.32.060(2).

36 ((+4)) (5) For the purposes of this section, "return" means any  
37 document a person is required by the state of Washington to file to

1 satisfy or establish a tax or fee obligation that is administered or  
2 collected by the department of revenue and that has a statutorily  
3 defined due date.

4 **Sec. 26.** RCW 83.100.070 and 2005 c 516 s 7 are each amended to  
5 read as follows:

6 (1) For periods before January 2, 1997, any tax due under this  
7 chapter which is not paid by the due date under RCW 83.100.060(1) shall  
8 bear interest at the rate of twelve percent per annum from the date the  
9 tax is due until the date of payment.

10 (2) Interest imposed under this section for periods after January  
11 1, 1997, and before January 1, 2009, shall be computed at the rate as  
12 computed under RCW 82.32.050(2). The rate so computed shall be  
13 adjusted on the first day of January of each year.

14 (3) Interest imposed under this section for periods after January  
15 1, 2009, shall be computed at the uniform interest rate set forth in  
16 section 2 of this act. The rate so computed shall be adjusted on the  
17 first day of January of each year.

18 (4)(a) If the Washington return is not filed when due under RCW  
19 83.100.050 and the person required to file the Washington return under  
20 RCW 83.100.050 voluntarily files the Washington return with the  
21 department before the department notifies the person in writing that  
22 the department has determined that the person has not filed a  
23 Washington return, no penalty is imposed on the person required to file  
24 the Washington return.

25 (b) If the Washington return is not filed when due under RCW  
26 83.100.050 and the person required to file the Washington return under  
27 RCW 83.100.050 does not file a return with the department before the  
28 department notifies the person in writing that the department has  
29 determined that the person has not filed a Washington return, the  
30 person required to file the Washington return shall pay, in addition to  
31 interest, a penalty equal to five percent of the tax due for each month  
32 after the date the return is due until filed. However, in no instance  
33 may the penalty exceed the lesser of twenty-five percent of the tax due  
34 or one thousand five hundred dollars.

35 (c) If the department finds that a return due under this chapter  
36 has not been filed by the due date, and the delinquency was the result  
37 of circumstances beyond the control of the responsible person, the

1 department shall waive or cancel any penalties imposed under this  
2 chapter with respect to the filing of such a tax return. The  
3 department shall adopt rules for the waiver or cancellation of the  
4 penalties imposed by this section.

5 **Sec. 27.** RCW 84.52.018 and 1994 c 124 s 37 are each amended to  
6 read as follows:

7 Whenever any property value or claim for exemption or cancellation  
8 of a property assessment is appealed to the state board of tax appeals  
9 or court of competent jurisdiction and the dollar difference between  
10 the total value asserted by the taxpayer and the total value asserted  
11 by the opposing party exceeds one-fourth of one percent of the total  
12 assessed value of property in the county, the assessor shall use only  
13 that portion of the total value which is not in controversy for  
14 purposes of computing the levy rates and extending the tax on the tax  
15 roll in accordance with this chapter, unless the state board of tax  
16 appeals has issued its determination at the time of extending the tax.

17 When the state board of tax appeals or court of competent  
18 jurisdiction makes its final determination, the proper amount of tax  
19 shall be extended and collected for each taxing district if this has  
20 not already been done. The amount of tax collected and extended shall  
21 include interest at the uniform interest rate (~~(of nine percent)~~) set  
22 forth in section 2 of this act per year on the amount of the board's  
23 final determination minus the amount not in controversy. The interest  
24 shall accrue from the date the taxes on the amount not in controversy  
25 were first due and payable. Any amount extended in excess of that  
26 permitted by chapter 84.55 RCW shall be held in abeyance and used to  
27 reduce the levy rates of the next succeeding levy.

28 **Sec. 28.** RCW 84.33.140 and 2007 c 54 s 24 are each amended to read  
29 as follows:

30 (1) When land has been designated as forest land under RCW  
31 84.33.130, a notation of the designation shall be made each year upon  
32 the assessment and tax rolls. A copy of the notice of approval  
33 together with the legal description or assessor's parcel numbers for  
34 the land shall, at the expense of the applicant, be filed by the  
35 assessor in the same manner as deeds are recorded.

1 (2) In preparing the assessment roll as of January 1, 2002, for  
 2 taxes payable in 2003 and each January 1st thereafter, the assessor  
 3 shall list each parcel of designated forest land at a value with  
 4 respect to the grade and class provided in this subsection and adjusted  
 5 as provided in subsection (3) of this section. The assessor shall  
 6 compute the assessed value of the land using the same assessment ratio  
 7 applied generally in computing the assessed value of other property in  
 8 the county. Values for the several grades of bare forest land shall be  
 9 as follows:

10	LAND	OPERABILITY	VALUES
11	GRADE	CLASS	PER ACRE
12		1	\$234
13	1	2	229
14		3	217
15		4	157
16		1	198
17	2	2	190
18		3	183
19		4	132
20		1	154
21	3	2	149
22		3	148
23		4	113
24		1	117
25	4	2	114
26		3	113
27		4	86
28		1	85
29	5	2	78
30		3	77
31		4	52
32		1	43
33	6	2	39
34		3	39
35		4	37
36		1	21

1	7	2	21
2		3	20
3		4	20
4	8		1

5 (3) On or before December 31, 2001, the department shall adjust by  
6 rule under chapter 34.05 RCW, the forest land values contained in  
7 subsection (2) of this section in accordance with this subsection, and  
8 shall certify the adjusted values to the assessor who will use these  
9 values in preparing the assessment roll as of January 1, 2002. For the  
10 adjustment to be made on or before December 31, 2001, for use in the  
11 2002 assessment year, the department shall:

12 (a) Divide the aggregate value of all timber harvested within the  
13 state between July 1, 1996, and June 30, 2001, by the aggregate harvest  
14 volume for the same period, as determined from the harvester excise tax  
15 returns filed with the department under RCW 84.33.074; and

16 (b) Divide the aggregate value of all timber harvested within the  
17 state between July 1, 1995, and June 30, 2000, by the aggregate harvest  
18 volume for the same period, as determined from the harvester excise tax  
19 returns filed with the department under RCW 84.33.074; and

20 (c) Adjust the forest land values contained in subsection (2) of  
21 this section by a percentage equal to one-half of the percentage change  
22 in the average values of harvested timber reflected by comparing the  
23 resultant values calculated under (a) and (b) of this subsection.

24 (4) For the adjustments to be made on or before December 31, 2002,  
25 and each succeeding year thereafter, the same procedure described in  
26 subsection (3) of this section shall be followed using harvester excise  
27 tax returns filed under RCW 84.33.074. However, this adjustment shall  
28 be made to the prior year's adjusted value, and the five-year periods  
29 for calculating average harvested timber values shall be successively  
30 one year more recent.

31 (5) Land graded, assessed, and valued as forest land shall continue  
32 to be so graded, assessed, and valued until removal of designation by  
33 the assessor upon the occurrence of any of the following:

34 (a) Receipt of notice from the owner to remove the designation;

35 (b) Sale or transfer to an ownership making the land exempt from ad  
36 valorem taxation;

37 (c) Sale or transfer of all or a portion of the land to a new  
38 owner, unless the new owner has signed a notice of forest land

1 designation continuance, except transfer to an owner who is an heir or  
2 devisee of a deceased owner, shall not, by itself, result in removal of  
3 designation. The signed notice of continuance shall be attached to the  
4 real estate excise tax affidavit provided for in RCW 82.45.150. The  
5 notice of continuance shall be on a form prepared by the department.  
6 If the notice of continuance is not signed by the new owner and  
7 attached to the real estate excise tax affidavit, all compensating  
8 taxes calculated under subsection (11) of this section shall become due  
9 and payable by the seller or transferor at time of sale. The auditor  
10 shall not accept an instrument of conveyance regarding designated  
11 forest land for filing or recording unless the new owner has signed the  
12 notice of continuance or the compensating tax has been paid, as  
13 evidenced by the real estate excise tax stamp affixed thereto by the  
14 treasurer. The seller, transferor, or new owner may appeal the new  
15 assessed valuation calculated under subsection (11) of this section to  
16 the county board of equalization in accordance with the provisions of  
17 RCW 84.40.038. Jurisdiction is hereby conferred on the county board of  
18 equalization to hear these appeals;

19 (d) Determination by the assessor, after giving the owner written  
20 notice and an opportunity to be heard, that:

21 (i) The land is no longer primarily devoted to and used for growing  
22 and harvesting timber. However, land shall not be removed from  
23 designation if a governmental agency, organization, or other recipient  
24 identified in subsection (13) or (14) of this section as exempt from  
25 the payment of compensating tax has manifested its intent in writing or  
26 by other official action to acquire a property interest in the  
27 designated forest land by means of a transaction that qualifies for an  
28 exemption under subsection (13) or (14) of this section. The  
29 governmental agency, organization, or recipient shall annually provide  
30 the assessor of the county in which the land is located reasonable  
31 evidence in writing of the intent to acquire the designated land as  
32 long as the intent continues or within sixty days of a request by the  
33 assessor. The assessor may not request this evidence more than once in  
34 a calendar year;

35 (ii) The owner has failed to comply with a final administrative or  
36 judicial order with respect to a violation of the restocking, forest  
37 management, fire protection, insect and disease control, and forest

1 debris provisions of Title 76 RCW or any applicable rules under Title  
2 76 RCW; or

3 (iii) Restocking has not occurred to the extent or within the time  
4 specified in the application for designation of such land.

5 (6) Land shall not be removed from designation if there is a  
6 governmental restriction that prohibits, in whole or in part, the owner  
7 from harvesting timber from the owner's designated forest land. If  
8 only a portion of the parcel is impacted by governmental restrictions  
9 of this nature, the restrictions cannot be used as a basis to remove  
10 the remainder of the forest land from designation under this chapter.

11 For the purposes of this section, "governmental restrictions" includes:  
12 (a) Any law, regulation, rule, ordinance, program, or other action  
13 adopted or taken by a federal, state, county, city, or other  
14 governmental entity; or (b) the land's zoning or its presence within an  
15 urban growth area designated under RCW 36.70A.110.

16 (7) The assessor shall have the option of requiring an owner of  
17 forest land to file a timber management plan with the assessor upon the  
18 occurrence of one of the following:

- 19 (a) An application for designation as forest land is submitted; or
- 20 (b) Designated forest land is sold or transferred and a notice of  
21 continuance, described in subsection (5)(c) of this section, is signed.

22 (8) If land is removed from designation because of any of the  
23 circumstances listed in subsection (5)(a) through (c) of this section,  
24 the removal shall apply only to the land affected. If land is removed  
25 from designation because of subsection (5)(d) of this section, the  
26 removal shall apply only to the actual area of land that is no longer  
27 primarily devoted to the growing and harvesting of timber, without  
28 regard to any other land that may have been included in the application  
29 and approved for designation, as long as the remaining designated  
30 forest land meets the definition of forest land contained in RCW  
31 84.33.035.

32 (9) Within thirty days after the removal of designation as forest  
33 land, the assessor shall notify the owner in writing, setting forth the  
34 reasons for the removal. The seller, transferor, or owner may appeal  
35 the removal to the county board of equalization in accordance with the  
36 provisions of RCW 84.40.038.

37 (10) Unless the removal is reversed on appeal a copy of the notice  
38 of removal with a notation of the action, if any, upon appeal, together

1 with the legal description or assessor's parcel numbers for the land  
2 removed from designation shall, at the expense of the applicant, be  
3 filed by the assessor in the same manner as deeds are recorded and a  
4 notation of removal from designation shall immediately be made upon the  
5 assessment and tax rolls. The assessor shall revalue the land to be  
6 removed with reference to its true and fair value as of January 1st of  
7 the year of removal from designation. Both the assessed value before  
8 and after the removal of designation shall be listed. Taxes based on  
9 the value of the land as forest land shall be assessed and payable up  
10 until the date of removal and taxes based on the true and fair value of  
11 the land shall be assessed and payable from the date of removal from  
12 designation.

13 (11) Except as provided in subsection (5)(c), (13), or (14) of this  
14 section, a compensating tax shall be imposed on land removed from  
15 designation as forest land. The compensating tax shall be due and  
16 payable to the treasurer thirty days after the owner is notified of the  
17 amount of this tax. As soon as possible after the land is removed from  
18 designation, the assessor shall compute the amount of compensating tax  
19 and mail a notice to the owner of the amount of compensating tax owed  
20 and the date on which payment of this tax is due. The amount of  
21 compensating tax shall be equal to the difference between the amount of  
22 tax last levied on the land as designated forest land and an amount  
23 equal to the new assessed value of the land multiplied by the dollar  
24 rate of the last levy extended against the land, multiplied by a  
25 number, in no event greater than nine, equal to the number of years for  
26 which the land was designated as forest land, plus compensating taxes  
27 on the land at forest land values up until the date of removal and the  
28 prorated taxes on the land at true and fair value from the date of  
29 removal to the end of the current tax year.

30 (12) Compensating tax, together with applicable interest thereon,  
31 shall become a lien on the land which shall attach at the time the land  
32 is removed from designation as forest land and shall have priority to  
33 and shall be fully paid and satisfied before any recognizance,  
34 mortgage, judgment, debt, obligation, or responsibility to or with  
35 which the land may become charged or liable. The lien may be  
36 foreclosed upon expiration of the same period after delinquency and in  
37 the same manner provided by law for foreclosure of liens for delinquent  
38 real property taxes as provided in RCW 84.64.050. Any compensating tax

1 unpaid on its due date shall thereupon become delinquent. From the  
2 date of delinquency until paid, interest shall be charged at the  
3 ((same)) uniform interest rate ((~~applied by law to delinquent ad~~  
4 ~~valorem property taxes~~)) set forth in section 2 of this act.

5 (13) The compensating tax specified in subsection (11) of this  
6 section shall not be imposed if the removal of designation under  
7 subsection (5) of this section resulted solely from:

8 (a) Transfer to a government entity in exchange for other forest  
9 land located within the state of Washington;

10 (b) A taking through the exercise of the power of eminent domain,  
11 or sale or transfer to an entity having the power of eminent domain in  
12 anticipation of the exercise of such power;

13 (c) A donation of fee title, development rights, or the right to  
14 harvest timber, to a government agency or organization qualified under  
15 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those  
16 sections, or the sale or transfer of fee title to a governmental entity  
17 or a nonprofit nature conservancy corporation, as defined in RCW  
18 64.04.130, exclusively for the protection and conservation of lands  
19 recommended for state natural area preserve purposes by the natural  
20 heritage council and natural heritage plan as defined in chapter 79.70  
21 RCW or approved for state natural resources conservation area purposes  
22 as defined in chapter 79.71 RCW. At such time as the land is not used  
23 for the purposes enumerated, the compensating tax specified in  
24 subsection (11) of this section shall be imposed upon the current  
25 owner;

26 (d) The sale or transfer of fee title to the parks and recreation  
27 commission for park and recreation purposes;

28 (e) Official action by an agency of the state of Washington or by  
29 the county or city within which the land is located that disallows the  
30 present use of the land;

31 (f) The creation, sale, or transfer of forestry riparian easements  
32 under RCW 76.13.120;

33 (g) The creation, sale, or transfer of a fee interest or a  
34 conservation easement for the riparian open space program under RCW  
35 76.09.040; or

36 (h) The sale or transfer of land within two years after the death  
37 of the owner of at least a fifty percent interest in the land if the  
38 land has been assessed and valued as classified forest land, designated

1 as forest land under this chapter, or classified under chapter 84.34  
2 RCW continuously since 1993. The date of death shown on a death  
3 certificate is the date used for the purposes of this subsection  
4 (13)(h).

5 (14) In a county with a population of more than one million  
6 inhabitants, the compensating tax specified in subsection (11) of this  
7 section shall not be imposed if the removal of designation as forest  
8 land under subsection (5) of this section resulted solely from:

9 (a) An action described in subsection (13) of this section; or

10 (b) A transfer of a property interest to a government entity, or to  
11 a nonprofit historic preservation corporation or nonprofit nature  
12 conservancy corporation, as defined in RCW 64.04.130, to protect or  
13 enhance public resources, or to preserve, maintain, improve, restore,  
14 limit the future use of, or otherwise to conserve for public use or  
15 enjoyment, the property interest being transferred. At such time as  
16 the property interest is not used for the purposes enumerated, the  
17 compensating tax shall be imposed upon the current owner.

18 **Sec. 29.** RCW 84.34.108 and 2007 c 54 s 25 are each amended to read  
19 as follows:

20 (1) When land has once been classified under this chapter, a  
21 notation of the classification shall be made each year upon the  
22 assessment and tax rolls and the land shall be valued pursuant to RCW  
23 84.34.060 or 84.34.065 until removal of all or a portion of the  
24 classification by the assessor upon occurrence of any of the following:

25 (a) Receipt of notice from the owner to remove all or a portion of  
26 the classification;

27 (b) Sale or transfer to an ownership, except a transfer that  
28 resulted from a default in loan payments made to or secured by a  
29 governmental agency that intends to or is required by law or regulation  
30 to resell the property for the same use as before, making all or a  
31 portion of the land exempt from ad valorem taxation;

32 (c) Sale or transfer of all or a portion of the land to a new  
33 owner, unless the new owner has signed a notice of classification  
34 continuance, except transfer to an owner who is an heir or devisee of  
35 a deceased owner shall not, by itself, result in removal of  
36 classification. The notice of continuance shall be on a form prepared  
37 by the department. If the notice of continuance is not signed by the

1 new owner and attached to the real estate excise tax affidavit, all  
2 additional taxes calculated pursuant to subsection (4) of this section  
3 shall become due and payable by the seller or transferor at time of  
4 sale. The auditor shall not accept an instrument of conveyance  
5 regarding classified land for filing or recording unless the new owner  
6 has signed the notice of continuance or the additional tax has been  
7 paid, as evidenced by the real estate excise tax stamp affixed thereto  
8 by the treasurer. The seller, transferor, or new owner may appeal the  
9 new assessed valuation calculated under subsection (4) of this section  
10 to the county board of equalization in accordance with the provisions  
11 of RCW 84.40.038. Jurisdiction is hereby conferred on the county board  
12 of equalization to hear these appeals;

13 (d) Determination by the assessor, after giving the owner written  
14 notice and an opportunity to be heard, that all or a portion of the  
15 land no longer meets the criteria for classification under this  
16 chapter. The criteria for classification pursuant to this chapter  
17 continue to apply after classification has been granted.

18 The granting authority, upon request of an assessor, shall provide  
19 reasonable assistance to the assessor in making a determination whether  
20 the land continues to meet the qualifications of RCW 84.34.020 (1) or  
21 (3). The assistance shall be provided within thirty days of receipt of  
22 the request.

23 (2) Land may not be removed from classification because of:

24 (a) The creation, sale, or transfer of forestry riparian easements  
25 under RCW 76.13.120; or

26 (b) The creation, sale, or transfer of a fee interest or a  
27 conservation easement for the riparian open space program under RCW  
28 76.09.040.

29 (3) Within thirty days after such removal of all or a portion of  
30 the land from current use classification, the assessor shall notify the  
31 owner in writing, setting forth the reasons for the removal. The  
32 seller, transferor, or owner may appeal the removal to the county board  
33 of equalization in accordance with the provisions of RCW 84.40.038.

34 (4) Unless the removal is reversed on appeal, the assessor shall  
35 revalue the affected land with reference to its true and fair value on  
36 January 1st of the year of removal from classification. Both the  
37 assessed valuation before and after the removal of classification shall  
38 be listed and taxes shall be allocated according to that part of the

1 year to which each assessed valuation applies. Except as provided in  
2 subsection (6) of this section, an additional tax, applicable interest,  
3 and penalty shall be imposed which shall be due and payable to the  
4 treasurer thirty days after the owner is notified of the amount of the  
5 additional tax. As soon as possible, the assessor shall compute the  
6 amount of additional tax, applicable interest, and penalty and the  
7 treasurer shall mail notice to the owner of the amount thereof and the  
8 date on which payment is due. The amount of the additional tax,  
9 applicable interest, and penalty shall be determined as follows:

10 (a) The amount of additional tax shall be equal to the difference  
11 between the property tax paid as "open space land," "farm and  
12 agricultural land," or "timber land" and the amount of property tax  
13 otherwise due and payable for the seven years last past had the land  
14 not been so classified;

15 (b) The amount of applicable interest shall be equal to the  
16 interest upon the amounts of the additional tax paid at the (~~same~~  
17 ~~statutory~~) uniform interest rate charged on delinquent property taxes  
18 as set forth in section 2 of this act and RCW 84.56.020, from the dates  
19 on which the additional tax could have been paid without penalty if the  
20 land had been assessed at a value without regard to this chapter;

21 (c) The amount of the penalty shall be as provided in RCW  
22 84.34.080. The penalty shall not be imposed if the removal satisfies  
23 the conditions of RCW 84.34.070.

24 (5) Additional tax, applicable interest, and penalty, shall become  
25 a lien on the land which shall attach at the time the land is removed  
26 from classification under this chapter and shall have priority to and  
27 shall be fully paid and satisfied before any recognizance, mortgage,  
28 judgment, debt, obligation or responsibility to or with which the land  
29 may become charged or liable. This lien may be foreclosed upon  
30 expiration of the same period after delinquency and in the same manner  
31 provided by law for foreclosure of liens for delinquent real property  
32 taxes as provided in RCW 84.64.050. Any additional tax unpaid on its  
33 due date shall thereupon become delinquent. From the date of  
34 delinquency until paid, interest shall be charged at the (~~same~~)  
35 uniform interest rate (~~applied by law to delinquent ad valorem~~  
36 ~~property taxes~~) set forth in section 2 of this act.

37 (6) The additional tax, applicable interest, and penalty specified

1 in subsection (4) of this section shall not be imposed if the removal  
2 of classification pursuant to subsection (1) of this section resulted  
3 solely from:

4 (a) Transfer to a government entity in exchange for other land  
5 located within the state of Washington;

6 (b)(i) A taking through the exercise of the power of eminent  
7 domain, or (ii) sale or transfer to an entity having the power of  
8 eminent domain in anticipation of the exercise of such power, said  
9 entity having manifested its intent in writing or by other official  
10 action;

11 (c) A natural disaster such as a flood, windstorm, earthquake, or  
12 other such calamity rather than by virtue of the act of the landowner  
13 changing the use of the property;

14 (d) Official action by an agency of the state of Washington or by  
15 the county or city within which the land is located which disallows the  
16 present use of the land;

17 (e) Transfer of land to a church when the land would qualify for  
18 exemption pursuant to RCW 84.36.020;

19 (f) Acquisition of property interests by state agencies or agencies  
20 or organizations qualified under RCW 84.34.210 and 64.04.130 for the  
21 purposes enumerated in those sections. At such time as these property  
22 interests are not used for the purposes enumerated in RCW 84.34.210 and  
23 64.04.130 the additional tax specified in subsection (4) of this  
24 section shall be imposed;

25 (g) Removal of land classified as farm and agricultural land under  
26 RCW 84.34.020(2)(e);

27 (h) Removal of land from classification after enactment of a  
28 statutory exemption that qualifies the land for exemption and receipt  
29 of notice from the owner to remove the land from classification;

30 (i) The creation, sale, or transfer of forestry riparian easements  
31 under RCW 76.13.120;

32 (j) The creation, sale, or transfer of a fee interest or a  
33 conservation easement for the riparian open space program under RCW  
34 76.09.040; or

35 (k) The sale or transfer of land within two years after the death  
36 of the owner of at least a fifty percent interest in the land if the  
37 land has been assessed and valued as classified forest land, designated  
38 as forest land under chapter 84.33 RCW, or classified under this

1 chapter continuously since 1993. The date of death shown on a death  
2 certificate is the date used for the purposes of this subsection  
3 (6)(k).

4 **Sec. 30.** RCW 84.56.020 and 2007 c 105 s 2 are each amended to read  
5 as follows:

6 (1) The county treasurer shall be the receiver and collector of all  
7 taxes extended upon the tax rolls of the county, whether levied for  
8 state, county, school, bridge, road, municipal or other purposes, and  
9 also of all fines, forfeitures or penalties received by any person or  
10 officer for the use of his or her county. No treasurer shall accept  
11 tax payments or issue receipts for the same until the treasurer has  
12 completed the tax roll for the current year's collection and provided  
13 notification of the completion of the roll. Notification may be  
14 accomplished electronically, by posting a notice in the office, or  
15 through other written communication as determined by the treasurer.  
16 All taxes upon real and personal property made payable by the  
17 provisions of this title shall be due and payable to the treasurer on  
18 or before the thirtieth day of April and, except as provided in this  
19 section, shall be delinquent after that date.

20 (2) Each tax statement shall include a notice that checks for  
21 payment of taxes may be made payable to "Treasurer of . . . . .  
22 County" or other appropriate office, but tax statements shall not  
23 include any suggestion that checks may be made payable to the name of  
24 the individual holding the office of treasurer nor any other  
25 individual.

26 (3) When the total amount of tax or special assessments on personal  
27 property or on any lot, block or tract of real property payable by one  
28 person is fifty dollars or more, and if one-half of such tax be paid on  
29 or before the thirtieth day of April, the remainder of such tax shall  
30 be due and payable on or before the thirty-first day of October  
31 following and shall be delinquent after that date.

32 (4) When the total amount of tax or special assessments on any lot,  
33 block or tract of real property or on any mobile home payable by one  
34 person is fifty dollars or more, and if one-half of such tax be paid  
35 after the thirtieth day of April but before the thirty-first day of  
36 October, together with the applicable interest and penalty on the full

1 amount of tax payable for that year, the remainder of such tax shall be  
2 due and payable on or before the thirty-first day of October following  
3 and shall be delinquent after that date.

4 (5) Delinquent taxes under this section are subject to interest per  
5 year at the uniform interest rate (~~((of twelve percent per annum))~~) set  
6 forth in section 2 of this act, computed on a monthly basis on the full  
7 year amount of tax unpaid from the date of delinquency until paid.  
8 Interest shall be calculated at the rate in effect at the time of  
9 payment of the tax, regardless of when the taxes were first delinquent.  
10 In addition, delinquent taxes under this section are subject to  
11 penalties as follows:

12 (a) A penalty of three percent of the full year amount of tax  
13 unpaid shall be assessed on the tax delinquent on June 1st of the year  
14 in which the tax is due.

15 (b) An additional penalty of eight percent shall be assessed on the  
16 amount of tax delinquent on December 1st of the year in which the tax  
17 is due.

18 (6) Subsection (5) of this section notwithstanding, no interest or  
19 penalties may be assessed during any period of armed conflict on  
20 delinquent taxes imposed on the personal residences owned by active  
21 duty military personnel who are participating as part of one of the  
22 branches of the military involved in the conflict and assigned to a  
23 duty station outside the territorial boundaries of the United States.

24 (7) For purposes of this chapter, "interest" means both interest  
25 and penalties.

26 (8) All collections of interest on delinquent taxes shall be  
27 credited to the county current expense fund; but the cost of  
28 foreclosure and sale of real property, and the fees and costs of  
29 distraint and sale of personal property, for delinquent taxes, shall,  
30 when collected, be credited to the operation and maintenance fund of  
31 the county treasurer prosecuting the foreclosure or distraint or sale;  
32 and shall be used by the county treasurer as a revolving fund to defray  
33 the cost of further foreclosure, distraint and sale for delinquent  
34 taxes without regard to budget limitations.

35 NEW SECTION. **Sec. 31.** This act only applies to interest rates  
36 imposed after December 31, 2008.

1        NEW SECTION.   **Sec. 32.**   This act takes effect January 1, 2009.

2        NEW SECTION.   **Sec. 33.**   Section 2 of this act constitutes a new  
3 chapter in Title 4 RCW.

--- END ---